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TO: Interested Parties

FM: Supervisor Jospeh P. Bort, Chairman
ABAG Regional Planning Committee

RE: EAST BAY NORTH SUBREGIONAL STUDY REPORT

In January, the Regional Planning Committee approved distribution of the report and recommendations from the Joint ABAG-MTC study of regional issues in East Bay communities bordering on San Francisco Bay from Oakland in Alameda County through the unincorporated communites of Crockett and Rodeo in Contra Costa County.

The recommendations are based on responses from these communities to two preliminary reports that, first, identified impacts of metropolitan growth pressures on the East Bay and, then, examined ways that East Bay communities could--individually and cooperatively--resolve problems and take advantage of opportunities created by those pressures. Additional recommendations are derived from concurrent and closely related activities--the Local Policy Survey Update and the Regional Housing Needs Program, pursuant to AB 2853.

Because the recommendations are, in most cases, applicable to other jurisdictions and subregional areas, they can serve as regionwide guidelines for encouraging economic and housing development and preparing housing elements.

The Regional Planning Committee wishes to thank the cities of Oakland, Piedmont, Emeryville, Berkeley, ALbany, El Cerrito, Richmond, San Pablo and Hercules, and the unincorporated communities of Rodeo and Crockett, as well as the two counties, for their cooperation in this study.

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EAST BAY NORTH SUBREGIONAL STUDY

REPORT AND RECOMMENDATIONS

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EAST BAY NORTH SUBREGIONAL STUDY

INTRODUCTION: WHAT ARE SUBREGIONAL STUDIES AND WHY DO WE DO THEM?

ABAG's Regional Plan for the San Francisco Bay Area, including MTC's Regional Transportation Plan as its Transportation Chapter, consists of a comprehensive set of regionwide, long-range policies to guide local decisions on growth and development into consistency with local and regional needs. These policies, which have been adopted by local governments, in turn guide the committees and staffs of the two regional agencies in:

- o reviewing local plans, development projects and grant applications (and in MTC's case, in allocating transportation grant funds);
- o advocating new or improved laws affecting community development and local resources; and
- o providing technical assistance to local governments, other governmental agencies and the private sector.

Regional policies are general in nature. They stem from examination of regionwide trends, which for a variety of reasons--primarily historical and geographic--affect various subareas in significantly different ways. Questions of balancing jobs, housing, commute distances, environmental quality, adequate public services and scarce resources are common to every local development decision. However, the particular mix, and therefore possible approaches to solving them, can vary widely depending upon such factors as distance from major employment centers, labor force characteristics, availability of infrastructure--including public transportation--and of land for development or redevelopment, or existing or potential revenue sources.

Joint subregional transportation and land use studies evolved as ABAG and MTC realized that in order to fulfill their review, advocacy and technical assistance functions, it was necessary to understand how general, long-range regionwide policies might be adapted to specific, short-term needs in geographic subareas. In its subregional planning program, ABAG has delineated fourteen subregional areas in which groups of communities with similar development histories and resources share a particular mix of regional problems and opportunities. Each of these subareas contains one or more of the transportation "corridors" which are the focus of MTC's attention. Descriptions of regional issues and opportunities in each of these subregional areas are contained in the Subregional Planning Chapter of the Regional Plan. Policy recommendations resulting from joint studies are the basis for updating subregional planning area statements in the plan.

SUMMARY OF EAST BAY NORTH SUBREGIONAL STUDY

The East Bay North study was the third to be undertaken by ABAG and MTC. The process has involved the two regional agencies, local elected officials and staff from jurisdictions from Oakland through Rodeo,* their citizens, and industrial and residential developers. The purposes of the study were to:

- o stimulate public awareness of specific impacts and potentials of regional problems and opportunites for the northern East Bay communities;
- o examine each community's resources available for combatting problems and taking advantage of opportunites, either individually or collectively; and
- o recommend specific, short-term actions that are both consistent with regional policies and responsive to local community development and revitalization needs.

Two preliminary reports were prepared, both intended to stimulate public discussion of regional issues, their impacts on the cities in the study area, local resources available for encouraging economic development, and possible actions to bring about desired change. The first, "Issues and Opportunities," was an initial assessment of the role that East Bay communities could play in resolving metropolitan growth pressures. It discussed the East Bay's relative position within the region from the perspective of six significant growth determinants (The distinguished Council on Development Choices for the '80s, in a year-long series of forums, concluded that these six major factors will cause a shift in land use practices over the next decade in the United States.):

- o economic development
- o affordable housing
- o energy consumption
- o social and economic mobility of disadvantaged persons
- o public facilities and services at least cost
- o development regulations and profitability

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* The East Bay North planning area includes cities of Oakland, Piedmont, Emeryville, Berkeley, Albany, El Cerrito, Richmond, San Pablo, Pinole, Hercules, the unincorporated areas within these cities' LAFCO spheres of influence, and the unincorporated communities of Rodeo and Crockett in Contra Costa County.

In this first phase, several common themes emerged from the discussions held with East Bay elected officials, staff and community groups concerned with growth and development:

- The East Bay has been overlooked as a regional resource for job development.

- The East Bay has had an "image" problem that obscures its job development potential.

- Housing is one of the most critical links in attracting new job growth--both in the Bay Area as a whole and in the East Bay in particular.

- The inability of local governments to raise revenues needed to keep up with inflation-driven costs poses a serious threat to maintaining existing services--let alone expanding them or adding new ones. Providing an adequate level of services is the most significant factor in improving image.

The second report, "Options and Ideas," began by asking whether the northern East Bay makes sense as a future center for mid-level office and high technology manufacturing employment. The report concluded, after examining options emphasizing transit, housing costs, housing supply and image characteristics, that the East Bay North could be the best site for 15-18 percent of the new clerical and production worker growth in office and high tech industries projected for the Bay Area between 1980 and 1990. Most of this growth would be concentrated in Oakland and Berkeley.

The second part of the report presented a number of "ideas" about how best to enhance the position of East Bay North to attract new job growth spinning off from concentrations of office development in San Francisco and high technology industries in Santa Clara County. Economic development ideas, local revenue raising ideas, and housing supply ideas--many of them adapted from Regional Plan policies and actions already adopted by local governments--were proposed for review and comment by the participating cities and communities.

Local responses clearly indicated that many of the jurisdictions in the East Bay North study area, well aware of their unique potential for attracting new industrial development and jobs, are already taking steps to take advantage of the opportunities.

A second important finding was the consensus among the communities on the need for working together and their commitment to cooperative actions, both formal and informal. A new precedent for cooperation will need to be set if this subregion is to overcome real and perceived disadvantages standing in the way of reaching its potential as a major employment center.

The recommendations in this final report, then, are based on what we have learned from local responses in phases 1 and 2 of the study. In addition, they reflect information and analysis from two other concurrent and closely related ABAG programs--the updating of the 1976 Local Policy Survey and adoption of the Regional Housing Needs Report. The latter contains local shares of the Bay Area's housing need proposed by the region's cities and counties, pursuant to AB 2853 (Roos).

The recommendations fall naturally into two sets of actions: the first outlining a subregional, cooperative approach to encourage job, housing and economic growth in the northern East Bay; and the second suggesting actions individual jurisdictions can take to attract industrial and residential development to specific sites within their communities. Actions proposed for encouraging housing production are also applicable to preparation of housing elements to meet the requirements of AB 2853.

After final review and approval, the East Bay North recommendations will be incorporated in an updated subregional planning area statement in the Regional Plan. Insofar as recommendations are applicable to other jurisdictions and other subareas of the region, they can also serve as regionwide guidelines for encouraging economic and housing development and preparing housing elements.

RECOMMENDATIONS

I. SUBREGIONAL APPROACHES

The overall purpose of the recommendations is to promote the entire East Bay North subregion as an employment growth center, especially as a prime location for office activities, high technology manufacturing, and biotechnology research. This will involve actions necessary to attract and support substantial growth in these employment sectors: providing suitable sites and a favorable development climate, facilities, services, amenities, a pool of trained workers and affordable housing for those workers.

Subregional approaches will involve local governments working together with developers, industry representatives, educational and training centers, and citizen interest groups.

A. Actions to attract economic growth

1. East Bay North jurisdictions should establish a forum to develop a promotional program for the entire East Bay, in cooperation with business, labor and other community leaders, Chambers of Commerce representatives, and developers of major proposed office, commercial and industrial projects. The program should focus on improving the "image" of the subregion by:

   - o highlighting its many advantages--already recognized and being acted upon by a number of major developers;
   - o playing up public commitments and actions planned or already underway to correct unfavorable conditions; and
   - o emphasizing the commitment of the public agencies to work together and with the private sector in coordinating planning and scheduling of public projects and actions to ensure that well planned development will occur on a timely basis, minimizing delays and conflicting schedules.

2. East Bay jurisdictions should work cooperatively with the University of California at Berkeley to create a public authority to establish a biotechnology research park, issue bonds to facilitate development of the park, and manage the research park in a manner assuring the highest possible public benefits. (Resolutions committing their jurisdictions to such actions have already been adopted by several East Bay policy bodies.)

3. East Bay jurisdictions, in cooperation with existing and prospective employers, organized labor, the educational system, and employment training centers, should create a coordinated subregional job development and training program to enable unemployed and underemployed residents to compete for jobs in expanding industries. Industries should make their employment needs known to public and private training centers.

B. Actions to improve efficiency of public services

1. A study group of East Bay cities, counties, LAFCOs, special districts and citizens groups such as the League of Women Voters and Taxpayers Associations should be convened to examine, on a subregional basis, alternative service delivery approaches to see whether reorganization would result in more efficient or equitably delivered services. Some of the alternatives that could be studied are:

   - o restructuring or consolidation of services within individual jurisdictions;
   - o consolidation of certain services between two or more jurisdictions, with joint operation or with responsibility assigned to one jurisdiction;
   - o contracting with another city, or with the county, to provide certain services; and
   - o shifting storm sewer maintenance and repair to the East Bay Municipal Utility District and other special districts responsible for sewer treatment. This would shift the responsibility for maintenance of these services to agencies better equipped than cities and counties to levy user charges. However, careful consideration should be given to whether such a shift would result in higher service costs to the individual users and/or a regressive rate structure.

C. Actions to increase local revenues

Recognizing that improvements in local and subregional fiscal capability must come primarily from actions by the State Legislature and improvements in the national economy, a wider-than-subregional approach is essential.

1. East Bay communities should join with other cities and counties in the region through ABAG and throughout the state through the League of California Cities and the County Supervisors Association of California to:

   - promote further examination by the Legislature of changes in the division of sales tax revenues between the State and local agencies. Such consideration should include the feasibility of need-based factors as the primary determinant in allocation of sales tax revenues rather than distribution of funds based on site of sale;

   - advocate increased cigarette and alcoholic beverage taxes, with increased subventions to local governments;

   - advocate enactment of split assessment rolls for residential and non-residential (commercial and industrial) property;

   - secure passage of a State constitutional amendment making local revenue sources immune from reduction by the Legislature;

   - support legislation to permit benefit assessment districts to be formed to cover maintenance as well as construction; legislation could also be introduced to make existing law on uses of benefit assessment districts more understandable through enactment of a single benefit assessment district law;

   - promote examination of the feasibility of granting general law cities the same revenue raising capabilities as charter cities;

   - promote indexing of State and local taxes levied on a per-unit basis to reflect inflation to the extent permitted by the State Constitution; and

   - seek adoption of an amendment to Article XIIIA of the State Constitution to provide majority vote approval for special taxes at the local level and similar provisions for property tax rates and overrides.

II. LOCAL ACTIONS

Recommended actions for individual communities in the study area are based on responses to the reports from phases 1 and 2, on the findings of the Local Policy Survey Update for East Bay North, and on the shares of regional housing need proposed by these communities in approving the allocations contained in the Regional Housing Needs Report.

Table 1 illustrates post-1980 development potential acreage in the study area from the Survey. Table 2 shows each jurisdiction's total housing unit need by 1985 compared with the potential number of units that could be available in residential and mixed use zones, given current allowable densities. AB 2853 requires that local housing elements contain measures that would allow the needed number of units to be added to the housing stock if other factors of the economy permit. The major findings of the Local Policy Survey Update and the Housing Needs Program are presented under four headings: Economic Development, Residential Development, Urban Services and Local Revenues.

A. Economic development

Local Policy Survey Update findings:

a. Development opportunities exist for at least 9,906 acres, with the communities of Oakland, Richmond and Hercules having 77.2 percent of the entire acreage available for development.

b. Development varies considerably among the eleven East Bay North communities according to quantity and type, as shown in Table 1. Current development policies break the total down among the following uses:

- 61% exclusively residential
- 7% local serving employment (predominantly commercial)
- 28% basic employment (predominantly industrial)
- 29% mixed uses

c. Richmond and Hercules have substantial vacant land; most of the other communities are substantially built-out. However, about one-fourth--or 2,481 acres--of the total acreage available for potential development is in redevelopment areas in the cities of Oakland, Emeryville,

TABLE 1. POST-1980 DEVELOPMENT POTENTIAL IN THE STUDY AREA

City/Area[a]	Residential Acres	Residential (Units)	Employment Local Serv.	Employment Basic	Mixed Use Acres	Mixed Use (Units)	Total Acres
Albany	30	(698)	97	1	28	(Unk[b])	156
Berkeley	52	(65+)	40	81	62	(Unk[b])	235
Emeryville	20	(732)	12	0	121	(1,250+)	153
Oakland	581	(2,470)	32	909	40	(940)	1,562
Piedmont	4	(15)	0	0	0	(0)	4
El Cerrito	75	(405)	3	0	0	(0)	78
Hercules Area[a]	1,264	(4,686)	71	400	25	(Unk[b])	1,760
Pinole Area[a]	719	(2,028)	147	10	0	(0)	876
Richmond Area[a]	2,992	(12,695)	253	1,065	15	(200)	4,325
Rodeo-Crockett	275	(1,170)	25	332	0	(0)	632
San Pablo	91	(1,029)	21	13	0	(0)	125
Total Study Area	6,103	(25,993+)	701	2,811	291	(2,390+)	9,906

a. Area indicates city and area within its sphere of influence.
b. "Unk" = unknown (not all of the housing unit potential for the acreage identified was known)

Source: ABAG Local Policy Survey Update, East Bay Shore-North Study Area, 1981

Berkeley, El Cerrito, Richmond, San Pablo and the unincorporated Rodeo-Crockett area. Of these, Richmond and Oakland have the greatest development potential. Lack of vacant land in a community, then, does not necessarily mean lack of future development potential.

Actions to encourage economic development and community revitalization

1. All East Bay North jurisdictions should participate actively in subregional cooperative public/private efforts to attract office, high technology and scientific research activity.

2. City councils and boards of supervisors should enact strong policy statements of commitment to take all steps within their jurisdictional authority and capability to:

   - o provide capital improvements, public services and housing needed to complement job growth; and

   - o restructure land use policies and approval procedures to minimize costly delays.

3. East Bay North cities and counties should identify sites that are available for office complexes and that meet the expansion needs of high tech industries, particularly for production and assembly plants.

4. East Bay North cities and counties should supply information to private decision-makers (including industrial developers and realtors) on sites, services, amenities, housing availability, and commitment to expand supply.

5. East Bay North jurisdictions that have not done so should prepare comprehensive public improvement programs to stabilize and revitalize declining industrial and commercial areas with market potential.

6. East Bay North local governments should establish linkages among development and training organizations within their jurisdictions by exchanging seats on governing boards, sharing reports on activities and news releases, and maintaining regular communications among staffs.

7. Local governments should examine zoning and other regulations and procedures and make adjustments to minimize approval times, including use of "preclearance" techniques with citizen and neighborhood groups where appropriate.

8. East Bay North jurisdictions should identify areas where greater housing availability would improve potential job growth and should adjust General Plan and zoning ordinances to accommodate new housing in these areas.

B. Residential development

Local Policy Survey and Housing Program findings:

a. The long-term residential potential for the entire area is at least 6,103 acres, for 25,993 units, with an additional housing potential of more than 2,390 units in mixed use projects.

b. Total housing need by 1985 agreed to by the eleven communities is 11,616 (plus the need in Rodeo-Crockett and unincorporated areas in LAFCO spheres of influence for Hercules, Pinole and Richmond, which has not been determined within Contra Costa County's overall figure for unincorporated areas). This number provides for the expected growth in the number of households in the subregion and also includes enough vacant units to begin to stabilize the housing market. Information on local market trends and land use constraints was considered in preparing the needs numbers.

As shown in Table 2, for some communities the 1985 need numbers approach or even exceed the long-term potential identified in the Local Policy Survey Update. Others--Emeryville, Richmond and Pinole, in particular--are planned for residential growth capacity far beyond their short-term needs.

c. To meet the requirements of AB 2853, jurisdictions that do not have a State-approved housing element must prepare one that incorporates the planning, zoning and permit approval provisions necessary to address the need, if other factors of the economy are favorable.

TABLE 2. LONG-TERM HOUSING UNIT POTENTIAL AND 1985 HOUSING NEED FOR THE STUDY AREA

City/Area[a]	Residential		Mixed Use		Total Long-Term Potential--Units	1985 Housing Need--Units[c]
	Acres	Units	Acres	Units		
Albany	30	698	28	Unk[b]	698+	632
Berkeley	52	65+	62	Unk[b]	65+	1,266
Emeryville	20	732	121	1,250+	1,982+	21
Oakland	581	2,470	40	940	3,410	2,727
Piedmont	4	15	0	0	15	20
El Cerrito	75	405	0	0	405	257
Hercules Area[a]	1,264	4,686	25	Unk[b]	4,686	2,269[c]
Pinole Area[a]	719	2,028	0	0	2,028	340[c]
Richmond Area[a]	2,992	12,695	15	200	12,895	2,616[c]
Rodeo-Crockett	275	1,170	0	0	1,170	N/A
San Pablo	91	1,029	0	0	1,029	1,489
Total Study Area	6,103	25,993+	291	2,390+	28,383+	11,616+

a. Area indicates the city and unincorporated area within its LAFCO sphere of influence
b "Unk" = unknown
c Need identified within city limits as of 1980 Census

Source: ABAG Local Policy Survey Update, East Bay Shore-North Study Area, 1981.
Regional Housing Needs Report, ABAG, December 1981.

d. Local development policies in most areas encourage additional residential development, but neighborhood opposition--to multi-family development in particular--inhibits implementation of residential proposals in others. Many communities are refining their approval processes and design standards to try to respond to legitimate concerns of neighborhoods adjoining proposed multi-family apartments and other types of attached single-family housing.

e. Multi-family, higher density residential development is permitted in nearly all East Bay North communities, but it is generally focused on limited areas--near neighborhood commercial activities, along public transit routes and around BART stations, in planned unit developments and areas covered by specific neighborhood plans. Some jurisdictions grant density bonuses to meet special housing needs. Others have adopted or are considering ordinances permitting "second units" in selected single-family neighborhoods.

f. "Shared housing" and "companion units" have been used in communities in other parts of the Bay Area to provide additional rental housing. In shared housing, usually an elderly person has a large unit and takes in other elderly or younger tenants (e.g., students). This not only assists homeowners with declining real incomes to maintain their homes, but it makes affordable rental housing available to low and moderate income people.

   Companion units--an offshoot of shared housing--are separate units constructed within an existing structure. In addition to making more efficient use of the existing housing stock and in-place infrastructure, such units provide security and--as with shared housing--companionship.

g. The City of Oakland, working with National Housing Hybrid, a private firm, has been making fairly wide use of manufactured homes to provide affordable ownership housing on infill sites. This approach could be followed in all East Bay North communities. Legislation in 1980, SB 1960, says that local governments must allow the placement of manufactured homes in single-family zoned areas. The jurisdiction can require that siding, roofing and exterior materials be similar to those of surrounding development.

h. New tax laws enacted last year give some incentives for private investment in rental housing. The City of Martinez recently gave a developer a substantial density bonus in exchange for his maintaining 10 percent of the units at rents affordable to low-income households for 15 years. In this case, city/developer cooperation was achieved without any federal, state or local money.

i. Another incentive that developers of rental units have suggested is that a jurisdiction issue a subdivision map (allowing condominium conversion after maintaining the units as rentals for 15 years) when the initial construction permit is granted. This would allow the developer to make money on the project later, while meeting the short-term need for affordable rental housing.

j. A number of Bay Area jurisdictions (e.g., the City of Hayward with Eden Housing, Inc. and Marin County with the Ecumenical Association for Housing) have worked effectively with non-profit housing development corporations (HDCs) to produce housing affordable to low- and moderate-income households. Most HDCs have IRS 501(c)(3) standing, allowing a donation of land by a business, corporation or individual landowner to be treated as a tax write-off. The tax write-off becomes more significant the higher the tax bracket.

k. Yet another arrangement that has worked is a joint venture between a non-profit HDC and a for-profit builder. Eden Housing, Inc. has done this in southern Alameda County. The HDC, locally based, knows the community and is able to smooth the way with the city council, planning commission and neighborhood groups to expedite permit approval. This enables the for-profit builder to build housing without costly delays. In exchange, the non-profit gets a portion of the units affordable to low- and moderate- income families.

l. Local governments can join together to form non-profit HDCs. The cities of Concord, Martinez, Pleasant Hill and Walnut Creek, with help from Contra Costa County, have formed the Diablo Valley Non-Profit Housing Development Corporation. They have a formal agreement to try to obtain more low- and moderate-income housing through joint ventures, cooperatives, inclusionary measures and other means.

m. Many of the cities in the study area (Emeryville, Oakland, Richmond and San Pablo) have experience with mortgage revenue bonds. East Bay North cities might consider the advantages of a joint bond issue such as is currently being proposed by the cities of Newark and Pleasanton.

n. Few California cities (only the City of San Mateo in the Bay Area) have yet taken advantage of recent State legislation, AB 665, which permits local governments to sell mortgage revenue bonds to help developers finance construction of rental housing. Construction financing is provided to developers at 12 percent. To receive this below-market rate money, the builder must make 20 percent of the rental housing produced affordable to low- and moderate-income households for 20 years. This is another form of public-private partnership that can result in housing opportunities for those who currently have difficulty competing for limited rental units.

o. ABAG's Legislation and Governmental Organization Committee and Housing Advisory Committee are investigating the possibility of sponsoring new legislation or recommending better use of existing legislation to encourage construction of family rental housing.

As noted above, most of the jurisdictions in the study area already have in place at least some of the actions recommended below for increasing the supply of affordable housing.

Actions to increase housing supply and encourage development of affordable housing

Housing Supply

1. East Bay North jurisdictions should review land use regulations, including zoning, and make adjustments as appropriate to permit and encourage housing development at higher densities near employment concentrations, neighborhood and downtown commercial centers, commercial strips, along routes well served by transit and around BART stations. Specific categories of uses or combinations of uses (e.g., planned unit development or mixed use designations) should be established to ensure compatible development in transition areas between neighborhood and strip commercial activities and surrounding low density neighborhoods.

2. Cities that are substantially built out should examine their neighborhoods to determine where slight increases in density might be allowable without serious detriment to the surrounding community. Development standards should be established to protect legitimate concerns of surrounding neighborhoods. Changes such as reducing additional parking requirements for second units should be made where they would not affect health, safety or neighborhood character.

3. Older communities with stable, built-out neighborhoods should consider and, where appropriate, adopt measures to encourage increased residential densities by permitting second units on already developed residential lots, or within existing structures, where such increased density does not seriously affect the community's character, stability and service capacities.

4. The older, substantially built-out cities in the East Bay North subarea should consider measures to encourage shared housing and companion units as a means of achieving slight increases in density and adding to the stock of affordable rental housing.

5. East Bay North cities should develop design standards for ensuring that mobile homes are compatible with surrounding development and consider designating specific areas for placement of mobile homes.

6. East Bay North communities could encourage higher density development of remaining large, vacant sites located within or near existing older urban areas. Specific area plans and other flexible zoning techniques such as PUD provisions or density bonuses to meet specialized housing needs should be used to ensure that such higher density development is compatible with surrounding neighborhoods.

7. East Bay North communities should establish "preclearance" procedures, design standards and other measures for early identification of citizen and neighborhood group concerns about proposed multifamily, single-family attached and mixed use developments in existing neighborhoods and on adjacent large, vacant sites.

8. East Bay North jurisdictions should identify large, unused industrial and public lands with little potential for continuation in their existing uses and suitable for conversion to higher density residential or mixed use development and prepare specific area plans and EIRs to enhance development potential.

Housing Cost

9. East Bay North jurisdictions should work with developers to identify needed changes and adjust the permit review process to remove unnecessary obstacles and delays and thereby reduce overall production costs.

10. East Bay North jurisdictions should offer, as appropriate, incentives for private investment in rental housing, such as density bonuses in exchange for maintaining a percentage of the units at affordable rents for a period of years (10 to 15), or granting a subdivision map for condo conversion at a later time in exchange for the builder's maintaining the units as rentals for a specified period of years.

11. East Bay North jurisdictions should consider working with non-profit housing development corporations to produce units affordable to low- and moderate-income households. Businesses, corporations and individuals should be encouraged to contribute land to non-profit housing development corporations, which can be treated as a tax write-off.

12. Study area communities should facilitate joint ventures between non-profit housing development corporations and for-profit builders to produce affordable housing.

13. Local governments should consider forming interjurisdictional non-profit housing development corporations to increase low- and moderate-income housing.

14. Cities should consider joint issuance of mortgage revenue bonds to increase housing supply.

15. Cities should take advantage of provisions of AB 665 to sell mortgage revenue bonds to help developers with 12 percent financing for construction of rental housing.

C. Urban services

Local Policy Survey findings:

a. Urban services are generally available to support much of the proposed development activity in the study area. However, some of the northernmost communities will need additional facilities and improvements to realize their growth potential.

b. The East Bay North subregion generally has sewage and water services available and adequate roads existing or committed to construction.

c. Sewage treatment plant design capacities can serve significant population and employment growth in the greater part of the study area. The Rodeo treatment plant is nearing its design capacity but will be able to handle anticipated residential growth. The only communities with a significant sewerage constraint to development are Hercules and Pinole, where delays in anticipated development could occur.

d. Although the major road network is considered generally to be adequate, additional improvements are needed. Most of them have been programmed in the economic development and redevelopment plans of the East Bay North communities.

A number of planned improvements to both freeways and arterials are programmed in the State Transportation Improvement Program with studies, plans, acquisition or construction underway and expected to be in place by 1990. However, with San Francisco's near-term office growth and new job opportunities anticipated in downtown Oakland, the Ports of Oakland and Richmond, and Chevron's Hilltop Tank Farm project, congestion on East Bay freeways will worsen. Increasingly, it is evident that significant improvements to the transportation system in the northern East Bay must of necessity be based on a policy of increasing the system's capacity to carry people rather than vehicles. Problems in acquiring rights-of-way, negative environmental impacts, socio-economic concerns, and high costs all limit options associated with widening freeways and undertaking new large-scale construction projects.

Transportation policies in the East Bay North subarea should emphasize the provision of complementary service by BART, AC Transit and ridesharing modes. The level of public transportation service available to the job centers in Oakland, Berkeley, El Cerrito and Richmond is very high. Residential densities in these communities support fiscally sound transit service, though the ridership now commuting into these cities on BART and AC Transit is below capacity. Improvements to these systems should be supported by strategies to promote more use of their services.

Metropolitan Transportation Commission approval of major transportation investments requires that projects fill a demonstrated need and have a reasonable relationship between costs and anticipated benefits. Residential densities in the developing communities in the northern part of the study area will have to be substantially increased before they justify expanded public transit services. However, the growth potential of this part of the subarea is strong. For reasons already stated, future transportation service must include a significant role for transit.

BART is currently preparing to undertake a study to evaluate and compare the cost, service and operations requirements of bus, light rail transit (LRT) and BART transit alternatives for the Richmond-Crockett Corridor.

Actions to improve urban services--to accommodate growth and correct conditions contributing to image problems

1. Cities and unincorporated communities in the northernmost part of the study area should plan for residential densities sufficient to justify expanded transit service for commuters to growing employment centers in other parts of the subregion.

2. Growing job centers in the study area should provide incentives to prospective employers to promote use of transit and other alternatives to the private automobile, such as van pools and ride sharing.

3. Hercules and Pinole should develop alternative financing methods to allow for the expansion of their sewage treatment capacity.

4. East Bay North communities should consider consolidation of services where cost savings and improved efficiency might be realized.

5. Redevelopment, community revitalization, neighborhood conservation and rehabilitation programs should include design standards and other provisions to reduce opportunities for crimes against persons as well as for burglary, vandalism, and other property-related criminal activity.

D. Local revenues

Local Policy Survey findings:

a. It is unclear how fiscal uncertainties will affect development potential in the study area.

b. High interest rates, instability of bond markets, increasing federal limitation on tax-exempt bonds, constrained property tax and tax increment (for redevelopment financing) revenues resulting from Proposition 13, combined with past and additional anticipated reductions in federal and state subventions--all of these seriously affect the East Bay North's ability to realize its potential.

c. Inability of local governments to finance facility and service improvements needed by proposed new commercial, industrial and residential development will delay desired economic growth just as surely as the developers' difficulty in putting together construction financing.

d. The redevelopment process is one of the major measures being used by the communities in the study area to finance capital improvements and encourage development activity through public and private sector cooperation. Sales taxes and user fees are becoming increasingly important. Local economic development programs are aggressively encouraging new economic and industrial activity to increase tax bases.

e. Much of the needed relief from fiscal uncertainties must come from the State Legislature and from improvements in the national economy.

Actions to improve local revenue bases

1. All East Bay North jurisdictions should join in regional and statewide efforts through ABAG, the League of California Cities and the County Supervisors Association of California to promote and advocate the legislative and constitutional changes recommended under Subregional Approaches, I-C-1.

2. Local governments should consider greater use of fees, and increases in local fees, to recover the costs of providing services. Careful records of actual costs of providing services should be kept and reviewed on a regular basis. Fees should be increased when necessary to recover the reasonable cost of providing the service. Progressive fee structures are encouraged to ensure equity of service delivery to all income groups.

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